Issues in Changing the Measurement Methodology for the Quarterly Tax Survey

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Introduction

• National Research Council (2007) State and Local Government Statistics at a Crossroads

• 21 recommendations

• One specifically for Qtax
Three Components of QTax

• F71- sample which collects local government property tax data

• F72- census of state governments to obtain all state taxes

• F73- sample which collects local government non-property tax
  – Non-probability panel of 111 local governments
  – Moving to a probability sample
  – Currently collects 3 categories of tax data
  – Adding 8 more categories
Methods

• 2 rounds of cognitive interviews

• Research questions
Methods (cont’d)

• Typical respondents: town managers, staff accountants, treasurers, directors of finance

• Non-directive questions to find out interpretation of terms, data retrieval processes
Results: Respondents Didn’t Follow Instructions

- Directing respondents to include taxes collected on behalf of another government and exclude taxes collected on their behalf didn’t work.
Results: Sample Design

• Sample of tax collectors for local non-property taxes
  – Changed from a non-probability panel to a probability sample
  – Did not have a national listing of all local tax collectors, so we sampled county-areas
  – Each local tax collecting agency within a selected county area was brought into the sample

316 County Areas → 9,000+ Tax Collecting Agencies

• Private collection agencies/companies
Results: Problems with Comprehension

- “Revenue sharing”: respondents thought of long-defunct federal program
- Subtle differences between “licenses,” “taxes,” and “fees”
Results: Problems with Comprehension (Cont.)

• We have ‘transient occupancy taxes’ not hotel/motel taxes. Are those the same thing?

• Most of our revenues come from property taxes. Why aren’t they on this form?
Results: Problems with Comprehension (Cont.)

• Respondents missed key component of questionnaire due to formatting, layout
Results: Problems with Retrieval and Reporting

• Alcohol and tobacco sales taxes not available separately from general sales taxes

• Licenses/fees: compiling this requires multiple departments, multiple reports
Results: Problems with Reporting

• Franchise fees: report in sales taxes or “other non-property taxes”? 
Implications and Next Steps

- Imposers vs. collectors
- Language of questionnaire updated
- Statement of purpose, cover letter
- Respondents want to be complete
- Old panel and questionnaire processed simultaneously with new sample and questionnaire
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